

### Packs

Ten sections have price gaps below the national average, which is \$0.07 (see chart 2). These sections, in order of favorability towards Basic, include 14, 21, 53, 54, 22, 41, 13, 12, 42 and 23. Section 14 is the only geography where Basic on average is the Lowest priced brand. Three out of five Region 2 sections are below average. Sections 52, 23 and 42 have gaps that are within 1 penny of the national gap. Six sections have price gaps greater than the national average: 32, 43, 31, 45, 35 and 51. Sections 35, 51 and 45 have poor price positioning (i.e., average gap greater than the national average) in both packs and cartons.

## II. Basic Price Positioning vs. Average Deep Discount Brand in Same Section

### Cartons

Relative to the same store Basic vs. lowest Deep Discount gap, roughly the same number of sections are positioned below the national Basic vs. Average Deep Discount gap (-\$0.09) (see chart 3). Sections 21, 22, 53, 52, 41 and 12 are still lower than the national average and in every one of these cases the gap is negative (Basic at the lower price). Sections 54 and 42 are now above the national average. Again, Region 3 has all 3 reporting sections above the average and sections 35 and 23 are still showing the worst Basic positioning.

### Packs

Again, relative to the same store Basic vs. Lowest Deep Discount gap, roughly the same number of sections are positioned at a level under the national average (-\$0.02) (see chart 4). However, a few sections have switched positions from higher to lower than average, and vice versa. Sections 22, 53, 14, 21, 52, 23, 41, 12 and 45 are positioned below the national average. Basic is always priced lower than average Deep Discount in sections where the gap is lower than the national average. Sections 45 and 52 were above the national average when looking at same store lowest Deep Disc gaps. Sections 32, 43, 54, 42, 31, 51, 13 and 35 have gaps greater than the national average.

## III. Basic Distribution by Section (Vs. Nielsen)

Thirteen sections have distribution levels lower than national distribution (56.6%) (see chart 5). Region 1 is particularly underdeveloped. All 4 sections

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